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How Do I Get Rid Of My Timeshare In A Pandemic?



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Travel

I'm a consumer advocate. I write about customer service.



Many Americans are wondering how to get rid of their timeshare in a pandemic. It's not easy. GETTY

If you think this is a bad summer for travel, then consider the predicament of timeshare owners. Many have lost their jobs after the COVID-19 outbreak. Unable to pay their monthly maintenance fees or mortgage, they're wondering: How do I get rid of my timeshare in a pandemic?

With the unemployment rate over 13% and large parts of the U.S. economy reeling from a shutdown — and now the prospect of *another* shutdown — that promises to be one of the summer's most frequently asked questions.

So what are your options?

You can't just walk away from a timeshare. That's because they often come with an obligation to pay maintenance fees for as long as you own them. If you don't stay current on your maintenance fees or your loan payment, the timeshare company or timeshare association could report you to a collection agency and ding your credit score.

"If owners are having financial troubles paying their timeshare mortgage, they should reach out to their developer for help," says Jason Gamel, CEO of the [American Resort Development Association](#) (ARDA), a trade association representing the timeshare and vacation ownership industry. "Many of them are offering different types of relief, including loan deferrals until people get back on their feet. These same developers also have hardship programs that offer different types of relief for people who have medical emergencies or lose their jobs."

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Even in good times, owners sometimes struggle with being on the hook for a timeshare. They wonder how the contracts that bind them to a timeshare for life are even legal.

And people have decidedly mixed feelings about their timeshares. An ARDA-funded report scheduled to be published next month finds 87% of timeshare owners rate their timeshare ownership experience as "good" or "excellent." However, a frequently-cited University of Central Florida study concludes the opposite. It says 85 percent of timeshare owners who go to contract

regret their purchase. (Gamel says the research isn't relevant because it is not specifically about timeshares.)



Here are a few legal ways to get rid of your timeshare. GETTY

How do I get rid of my timeshare?

There are three ways to get out of timeshare in normal times:

Sell it or give it back. A site like ARDA's [Responsibleexit.com](https://www.responsibleexit.com) can connect you with timeshare developers who have free or low-cost exit options or professional licensed real estate brokers that specialize in timeshares. You can list your timeshare on a website like the [Timeshare Users Group](#). Or you can also contact a timeshare reseller, although that can be complicated.

"Selling a timeshare can be tricky, especially in today's travel climate," says Mike Kennedy, the CEO of [KOALA](#), a vacation rental platform that specializes in timeshare rentals. "Set your expectations low. The market does not empathize with what you paid for your timeshare. The true resale market is typically much much lower than what someone has paid."

Negotiate your way out. Most timeshare companies don't want unhappy owners. You can engage with your timeshare company and ask about exit options. Note: Exiting may cost you money, though.

For example, when Dan Bailey tried to get rid of his timeshare in Orlando, the company let him off the hook — for a price. "We were offered a one-time termination fee of \$4,000 to terminate the contract," he says. Bailey, who runs a [lawn care site](#) in Texas, accepted the offer.

Hire an attorney. That may be necessary if you're outside the rescission period — a cooling-off period that allows you to cancel the purchase without penalty — and believe you have a legal cause of action against your developer. But make sure you consult with the attorney and understand exactly what you're getting. Is the firm going to fight for you, or just have paralegals send form letters on your behalf? If you're within the rescission period, you probably won't need a lawyer.

But during the COVID-19 pandemic, some of these tried-and-true strategies don't work the way they used to.



Want to get out of your timeshare? Buy more

Consider what happened to Kimberly Siegel when she tried to negotiate a responsible exit. She attended an owner update at her timeshare in Northern California last week to plead her case.

"I asked the salesperson to walk us through an honest exit strategy if my business did not resume to its normal level by July or August," she recalls. "He presented us with a new contract and a \$5,000 down payment so that we would have more equity when we wanted to sell it."

Siegel insisted that she wanted to get *out* of the timeshare, not buy more timeshare points.

"The salesman said that there were a lot of wealthy people who are still buying timeshares even during the pandemic," she says. "I was just dumbfounded."



How not to get rid of a timeshare in a pandemic

One thing about getting rid of a timeshare hasn't changed. There are some ways you should not try to exit. The Federal Trade Commission [issued a recent warning against timeshare resellers](#), noting that some of them prey on seniors by taking money up front and then failing to sell the timeshare.

"Never hire someone without checking out their background first and never pay an up-front payment before any services are provided," says FTC spokesman Mitch Katz.

The situation has gotten worse in the last two months, according to Gordon Newton, author of [The Consumer's Guide to Timeshare Exit](#).

"Right now, it is critical that timeshare owners are aware that there are so many new entrants in the timeshare exit space," he says. "I've counted over a dozen since the start of the pandemic. Many of these companies have no experience in the timeshare exit business and there is no regulation to stop anyone from opening a timeshare exit company."

Only trust a company with a proven track record of helping timeshare owners, he says.

"There are so many scams out there in the timeshare exit space," he adds.

How do you know if a timeshare exit company is legit? You should ask three questions about any company you're thinking of hiring:

1. Has the company been in business for at least five years?
2. Does it have a history of positive reviews online?
3. What kind of guarantees does it offer and how can it back up the promise?

Lisa Ann Schreier, a timeshare expert who publishes the site [The Timeshare Crusader](#), says you're better off avoiding timeshare exit companies entirely.

"These companies prey on not only owners' fears but also their ignorance," she says. "99% of these companies are outright scams and end up doing more harm than good."



Should you stop paying your fees if you can't? GETTY

What if I stop paying my fees?

Some owners just stop paying their fees, hoping they can get rid of their timeshare. Experts are sharply divided on this strategy. Timeshare companies will report you to a credit bureau for failing to pay your fees. That can damage your credit. But if you don't care about your credit rating, walking away from a timeshare may be a viable exit strategy.

That's what Kathie Asaro did. A retired sales manager from Foster City, Calif., she decided that her timeshare in Southern California wasn't worth keeping. She started calling her timeshare company every month, asking for a voluntary surrender, essentially offering to give up the timeshare. A representative always declined, explaining that her timeshare was her responsibility for the rest of her life.

"I would also explain very slowly that I had no intention of ever paying the maintenance fee," she says. Failing to pay the maintenance fee meant the timeshare would eventually foreclose, which meant paying a lawyer. "Why not just take it now, voluntarily, with no legal expense?" she says.

She ignored the timeshare company's threats to "ruin" her credit rating and simply stopped paying her maintenance fees. A month later, her timeshare company relented, agreeing to release her from the contract.



You may be able to negotiate your way out of a timeshare? GETTY

Want to get out? Don't take "no" for an answer

So how do you get rid of your timeshare? Derek Potts, the managing partner of [The Potts Law Firm](#), has represented several clients in matters related to timeshares. He says the best way to get out is to do so as soon as you have doubts about your purchase.

Timeshare contracts offer anywhere between 3 to 15 days to cancel a contract. You also may have some recourse under your state's consumer

protection laws. But if you've owned the timeshare for longer, you still have options.

"Outside of that window, state consumer protection laws usually quote a statute of limitations of less than three years to tackle misrepresentation claims and other deceptive trade practices issues involved in timeshare litigation," he says.

What if you're falling behind on your mortgage payments or maintenance fees? Potts and other experts say you should contact your resort's owner or member services and ask for relief.

"In no case should you speak with anyone in the sales department," adds Schreier. "They have one job and that job is *not* to help you figure out your finances."



For some timeshare owners, there may be no way out. GETTY

No way out?

But timeshare owners like Siegel say they have no good options. Unable to make their payments after losing their jobs during the pandemic, they can either try to sell their unit, hire a lawyer, or pay a sketchy timeshare reseller. Or, if they're willing to put their credit rating on the line, they can abandon their timeshare.

The question no one seems to be asking is: How did it come to this?

Who allowed these contracts that keep timeshare owners tied to a property they don't want — or can't afford? Is there a way to make these agreements fairer to owners, particularly at a time like this?

More to the point, is there a way out?

"I *know* we aren't the only ones experiencing this," says Siegel. "I'm hoping there is some form of congressional action or a class-action suit filed soon."

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